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SENATE BILL 827

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Pete Campos

AN ACT

RELATING TO CAPITAL EXPENDITURES; AUTHORIZING THE ISSUANCE OF SEVERANCE TAX BONDS; AUTHORIZING EXPENDITURES FROM CERTAIN FUNDS AND BALANCES; CLARIFYING CONDITIONS FOR THE ISSUANCE OF BONDS; ESTABLISHING CONDITIONS FOR THE EXPENDITURE OF SEVERANCE TAX BOND PROCEEDS; ESTABLISHING CONDITIONS FOR THE REVERSION OF UNEXPENDED BALANCES; MAKING APPROPRIATIONS; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SEVERANCE TAX BONDS-- AUTHORIZATIONS-- APPROPRIATION OF PROCEEDS. --

A. The state board of finance may issue and sell severance tax bonds in compliance with the Severance Tax Bonding Act in an amount not to exceed the total of the amounts authorized for purposes specified in this act. The

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1 state board of finance shall schedule the issuance and sale of
2 the bonds in the most expeditious and economical manner
3 possible upon a finding by the board that the project has been
4 developed sufficiently to justify the issuance and that the
5 project can proceed to contract within a reasonable time. The
6 state board of finance shall further take the appropriate
7 steps necessary to comply with the Internal Revenue Code of
8 1986, as amended. Proceeds from the sale of the bonds are
9 appropriated for the purposes specified in this act.

10 B. The agencies named in this act shall certify to
11 the state board of finance when the money from the proceeds of
12 the severance tax bonds authorized in this section is needed
13 for the purposes specified in the applicable section of this
14 act. If an agency has not certified the need for the issuance
15 of the bonds for a particular project, including projects that
16 have been reauthorized, by the end of fiscal year 2009, the
17 authorization for that project is void.

18 C. Before an agency may certify for the issuance
19 of severance tax bonds, the project must be developed
20 sufficiently so that the agency reasonably expects to:

21 (1) incur within six months after the
22 applicable bonds have been issued a substantial binding
23 obligation to a third party to expend at least five percent of
24 the bond proceeds for the project; and

25 (2) spend at least eighty-five percent of the

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1 bond proceeds within three years after the applicable bonds
2 have been issued.

3 D. Except as otherwise provided in this section or
4 another section of this act, the unexpended balance from the
5 proceeds of severance tax bonds issued for a project,
6 including projects that have been reauthorized, shall revert
7 to the severance tax bonding fund as follows:

8 (1) for projects for which severance tax
9 bonds were issued to match federal grants, six months after
10 completion of the project;

11 (2) for projects for which severance tax
12 bonds were issued to purchase vehicles, heavy equipment,
13 educational technology or other equipment or furniture that is
14 not related to a more inclusive construction or renovation
15 project, at the end of the fiscal year two years following the
16 fiscal year in which the severance tax bonds were issued for
17 the purchase;

18 (3) for projects for which severance tax
19 bonds were issued to purchase emergency vehicles or other
20 vehicles that require special equipment, at the end of the
21 fiscal year two years following the fiscal year in which the
22 severance tax bonds were issued for the purchase; and

23 (4) for all other projects for which
24 severance tax bonds were issued, within six months of
25 completion of the project, but no later than the end of fiscal

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1 year 2011.

2 E. Except for appropriations to the capital
3 program fund, money from severance tax bond proceeds provided
4 pursuant to this act shall not be used to pay indirect project
5 costs.

6 F. For the purpose of this section, "unexpended
7 balance" means the remainder of an appropriation after
8 reserving for unpaid costs and expenses covered by binding
9 written obligations to third parties.

10 Section 2. GENERAL FUND AND OTHER FUND APPROPRIATIONS--
11 LIMITATIONS--REVERSIONS.--

12 A. Except as otherwise provided in this section or
13 another section of this act, the unexpended balance of an
14 appropriation made in this act from the general fund or other
15 state fund, including changes to prior appropriations, shall
16 revert to the originating fund as follows:

17 (1) for projects for which appropriations
18 were made to match federal grants, six months after completion
19 of the project;

20 (2) for projects for which appropriations
21 were made to purchase vehicles, heavy equipment, educational
22 technology or equipment or furniture that is not related to a
23 more inclusive construction or renovation project, at the end
24 of the fiscal year two years following the fiscal year in
25 which the appropriation was made for the purchase;

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1 (3) for projects for which appropriations
2 were made to purchase emergency vehicles or other vehicles
3 that require special equipment, at the end of the fiscal year
4 two years following the fiscal year in which the appropriation
5 was made for the purchase; and

6 (4) for all other projects for which
7 appropriations were made, within six months of completion of
8 the project, but no later than the end of fiscal year 2011.

9 B. Upon certification by an agency that money from
10 the general fund is needed for a purpose specified in this
11 act, the secretary of finance and administration shall
12 disburse such amount of the appropriation for that project as
13 is necessary to meet that need.

14 C. Except for appropriations to the capital
15 program fund, money from appropriations made in this act shall
16 not be used to pay indirect project costs.

17 D. The unexpended balance of an appropriation made
18 from the general fund or other state fund, including changes
19 to prior appropriations, to the Indian affairs department or
20 the aging and long-term services department for projects
21 located on lands of an Indian nation, tribe or pueblo,
22 including projects that have been reauthorized, shall revert
23 in a time frame set forth in Subsection A of this section to
24 the tribal infrastructure project fund.

25 E. For the purpose of this section, "unexpended

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1 balance" means the remainder of an appropriation after
2 reserving for unpaid costs and expenses covered by binding
3 written obligations to third parties.

4 Section 3. CULTURAL AFFAIRS DEPARTMENT PROJECTS--
5 SEVERANCE TAX BONDS.--Pursuant to the provisions of Section 1
6 of this act, upon certification by the cultural affairs
7 department that the need exists for the issuance of the bonds,
8 the following amounts are appropriated to the cultural affairs
9 department for the following purposes:

10 1. one million eight hundred thousand dollars
11 (\$1,800,000) to construct, equip and furnish phase 1 of the
12 New Mexico archaeology center in Santa Fe in Santa Fe county;
13 and

14 2. one million three hundred thousand dollars
15 (\$1,300,000) for the educational complex project at the
16 national Hispanic cultural center in Albuquerque in Bernalillo
17 county.

18 Section 4. STATE BUILDING PROJECTS--PROPERTY CONTROL
19 DIVISION--SEVERANCE TAX BONDS.--Pursuant to the provisions of
20 Section 1 of this act, upon certification by the property
21 control division of the general services department that the
22 need exists for the issuance of the bonds, the following
23 amounts are appropriated to the capital program fund for the
24 following purposes:

25 1. six million dollars (\$6,000,000) for security

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1 upgrades at correctional facilities statewide;

2 2. five million dollars (\$5,000,000) for upgrades
3 to heating, ventilation and air conditioning systems and roofs
4 at correctional facilities statewide;

5 3. four million dollars (\$4,000,000) for
6 infrastructure upgrades at department of health facilities
7 statewide; and

8 4. one million dollars (\$1,000,000) to plan and
9 design a facility at the Lordsburg port of entry in Hidalgo
10 county.

11 Section 5. WATER AND WASTEWATER SYSTEM PROJECTS--
12 DEPARTMENT OF ENVIRONMENT--SEVERANCE TAX BONDS.--Pursuant to
13 the provisions of Section 1 of this act, upon certification by
14 the department of environment that the need exists for the
15 issuance of the bonds, the following amounts are appropriated
16 to the department of environment for the following purposes:

17 1. four million dollars (\$4,000,000) to plan,
18 design, construct and equip the wastewater treatment plant in
19 Santa Rosa in Guadalupe county;

20 2. two hundred fifty thousand dollars (\$250,000)
21 to plan, design and construct a wastewater treatment facility
22 in Edgewood in Santa Fe county; and

23 3. four hundred eighty thousand dollars (\$480,000)
24 to plan, design and construct water and wastewater system
25 improvements, including a generator, in Encino in Torrance

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1 county.

2 Section 6. LOCAL PROJECTS--LOCAL GOVERNMENT DIVISION--
3 SEVERANCE TAX BONDS.--Pursuant to the provisions of Section 1
4 of this act, upon certification by the local government
5 division of the department of finance and administration that
6 the need exists for the issuance of the bonds, the following
7 amounts are appropriated to the local government division for
8 the following purposes:

9 1. one hundred thousand dollars (\$100,000) to
10 construct a library for the valle de Anton Chico land grant in
11 San Miguel and Guadalupe counties; and

12 2. five hundred fifty thousand dollars (\$550,000)
13 to plan, design and construct a recreation complex in Edgewood
14 in Santa Fe county.

15 Section 7. PUBLIC EDUCATION PROJECTS--PUBLIC EDUCATION
16 DEPARTMENT--SEVERANCE TAX BONDS.---Pursuant to the provisions
17 of Section 1 of this act, upon certification by the public
18 education department that the need exists for the issuance of
19 the bonds, the following amounts are appropriated to the
20 public education department for the following purposes:

21 1. one hundred sixty-five thousand dollars
22 (\$165,000) to purchase vehicles and equipment for the Las
23 Vegas city public school district in San Miguel county; and

24 2. one hundred thirty-five thousand dollars
25 (\$135,000) to purchase and equip an activity bus for the Las

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1 Vegas city public school district in San Miguel county.

2 Section 8. AGING PROJECT--AGING AND LONG-TERM SERVICES
3 DEPARTMENT--GENERAL FUND.--Eight million two hundred thousand
4 dollars (\$8,200,000) is appropriated from the general fund to
5 the aging and long-term services department for expenditure in
6 fiscal years 2007 through 2011 to make improvements and
7 renovations, purchase vehicles and purchase and install meals
8 and other equipment at senior centers statewide.

9 Section 9. INSTITUTIONS OF HIGHER LEARNING AND
10 CONSTITUTIONAL SPECIAL SCHOOLS PROJECT--HIGHER EDUCATION
11 DEPARTMENT--GENERAL FUND.--Forty million dollars (\$40,000,000)
12 is appropriated from the general fund to the higher education
13 department for expenditure in fiscal years 2007 through 2011
14 for infrastructure renovation, expansion and deferred
15 maintenance at institutions of higher learning and
16 constitutional special schools statewide.

17 Section 10. WATER AND NATURAL RESOURCES PROJECTS--OFFICE
18 OF THE STATE ENGINEER--GENERAL FUND.--The following amounts
19 are appropriated from the general fund to the office of the
20 state engineer for expenditure in fiscal years 2007 through
21 2011 for the following purposes:

22 1. three million dollars (\$3,000,000) for
23 purchasing water rights and land and making related
24 infrastructure improvements to implement the long-term
25 strategy for the state's permanent compliance with the Pecos

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1 River Compact and the United States supreme court amended
2 decree in *Texas v. New Mexico*, No. 65 original; and
3 2. six million six hundred thousand dollars
4 (\$6,600,000) to conduct surface and ground water measurements
5 and dam repairs statewide.

6 Section 11. PROJECT SCOPE--EXPENDITURES.--If an
7 appropriation for a project authorized in this act is not
8 sufficient to complete all the purposes specified, the
9 appropriation may be expended for any portion of the purposes
10 specified in the appropriation. Expenditures shall not be
11 made for purposes other than those specified in the
12 appropriation.

13 Section 12. ART IN PUBLIC PLACES.--Pursuant to Section
14 13-4A-4 NMSA 1978 and where applicable, the appropriations
15 authorized in this act include one percent for the art in
16 public places fund.

17 Section 13. EMERGENCY.--It is necessary for the public
18 peace, health and safety that this act take effect
19 immediately.